CONNECTICUT COMMISSION ON AGING A nonpartisan research and public policy office of the Connecticut General Assembly

Testimony of

Debra Polun, Legislative Director
Connecticut Commission on Aging

Human Services Committee

March 15, 2011

RE: Senate Bill 1013, An Act Implementing the Governor's Budget Recommendations Concerning Human Services

Thank you for this opportunity to comment on Governor Malloy's budget proposals related to social services.

As you know, the Connecticut Commission on Aging (CoA) is the nonpartisan state agency devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults. For seventeen years, CoA has served as an effective leader in statewide efforts to promote choice, independence and dignity for Connecticut's older adults and persons with disabilities. As part of our statutory mandate set forth in CGS §17b-420, CoA reviews and comments on proposed state legislation and budgetary issues.

The US Supreme Court's *Olmstead* decision and Connecticut state law (CGS §17b-337) require that individuals with long-term care needs have the option to choose and receive long-term care and support in the least restrictive, appropriate setting.

The Connecticut Commission on Aging applauds Governor Malloy for demonstrating his commitment to *Olmstead* through various proposals. This is most notable in the plan to dramatically increase transitions under Money Follows the Person, to 2251 individuals in the biennium (and 5200 by 2016). Additionally, CoA supports the initiative to incent nursing homes to diversify their business models – a proposal brought forward by our office and others in recognition of a projected decreased need for nursing home beds if long-term care rebalancing goals are met. As co-chair of the Money Follows the Person Steering Committee, these two above mentioned proposals by the Governor have already intensified the Commission's work as well. CoA also supports funding mechanisms included to maximize federal funds.

However, CoA has concerns about other aspects of the package, which make it more difficult for our state to comply with *Olmstead,* by lack of support and even eroding services and supports across the long-term care continuum.

(continued...)

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Specifically, CoA has concerns about and is analyzing the impact of:

- ***Connecticut Home Care Program for Elders (CHCPE):*** Section 14 of the proposal seeks to increase cost-sharing for the sate-funded program, from 6% to 15% (a return to the rate in force from 1/1/10-6/30/10). It also would freeze intake of Category 1 of the state-funded program and move folks who would be eligible to a newly established 1915(i) State Plan Amendment (in an effort to shift 100% state costs to the federal dollars).

    - The Department of Social Services estimated that the **CHCPE saved over $101 million for the State of Connecticut in FY '08 by avoiding nursing home placements.** This program is an investment for the state.

    - A 15% cost-share proved to be an undue hardship for individuals. During the time of the 15% cost-share, almost 500 people left the CHCPE and uncounted others simply did not apply. In recognition of these concerns, the General Assembly wisely reduced the cost-share just last Spring. Also, it is worth noting that there was no cost-share component until two years ago. More than 80% of older adults on state-funded CHCPE have incomes of less than $22,000 a year.

    - Freezing intake of the Category 1 of the state-funded CHCPE program would dramatically hinder efforts to prevent and delay nursing home placement for thousands of older adults.

    - The CoA fully supports a 1915(i) State Plan Amendment but in a more expansive form so that home- and community-based services are available to divert and delay nursing home placement. **We support the proposal as illustrated in SB 297.**

- ***Long-Term Care Reinvestment Account:*** Section 42 of the proposal eliminates the account, the establishment of which has been delayed. According to DSS and in compliance with the federal government, the enhanced match received under Money Follows the Person (a $300 million dollar federal demonstration grant) is reinvested into the long-term care system. With the proposal to expand MFP dramatically, it becomes even more imperative to fully establish the Account to be compliant with CMS, to track the utilization of these dollars, and to provide transparency. **We further recommend the expansion of the Account as illustrated in SB 297.**

- ***ConnPACE:*** Sections 16 and 17 eliminate ConnPACE for all Medicare-eligible individuals as a result of the significant expansion in eligibility guidelines for the Medicare Savings Programs (MSP). Education and outreach by DSS will be critical to ensure there is not a service gap while the remaining folks on ConnPACE transition to Medicare Savings Plan.

- ***Copayments for Dually-Eligibles:*** Section 21 of the proposal increases the cap on prescription copayments for individuals receiving both Medicare and Medicaid (i.e., low-income older adults and persons with disabilities). The cap would rise from $15/month to $25/month.

- ***Medicaid Cost-Sharing:*** Section 7 would require Medicaid enrollees to pay copayments for most medical services and prescription drugs. The copays would be limited to 5% of income for medical services and $20 for prescriptions.

- ***Rates:*** Rate increases for providers across the spectrum are not included, further inhibiting their ability to provide services.

- ***Marital Assets for Community Spouses:*** Legislation from 2010 increased the amount of assets that the spouse of someone in an institution under Medicaid could retain. Section 42 of the proposal would reverse this change, allowing spouses to keep half of the liquid marital assets, up to a maximum limit of $109,560.

- ***Personal Needs Allowance:*** Section 23 of the proposal reduces the amount of finds nursing home residents are allowed to retain each month from $69/month to $60/month. These funds are generally used by residents for phone/TV service, clothing and grooming.

- ***Charter Oak Health Plan:*** Section 5 would continue to limit premium assistance to those enrolled by June, 2010, instead of reinstating assistance on July 1. Additionally, it reduces this premium assistance for those who do receive it. These proposals would have a disproportionate effect on older adults, aged 50-64.

  - New premium assistance: As of 2/1/11, 5687 (64% of) Charter Oak enrollees are over the age of 50. Of those, 1059 would have become eligible for premium assistance on July 1 and would not receive that assistance under this proposal.

  - Current premium assistance: 3376 of the 5363 Charter Oak enrollees who currently receive premium assistance are over the age of 50 and would likely have increased premiums due to this proposal.

In these difficult budget times, research-based initiatives, statewide planning efforts, vision and creative thinking are all needed. The Connecticut Commission on Aging stands ready to assist our state in finding solutions to our fiscal problems, while keeping commitments to critical programs and services.

Thank you.